

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7327

BILL NUMBER: SB 528

DATE PREPARED: Feb 26, 2002

BILL AMENDED: Feb 25, 2002

SUBJECT: Medicaid Managed Care.

FISCAL ANALYST: Kathy Norris

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
X **FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill extends to December 31, 2004, the expiration date of provisions: (1) prohibiting the Office of Medicaid Policy and Planning from providing incentives to primary care medical providers for directing individuals to contracted hospitals other than a hospital in a city where the patient resides. The bill requires the hospital's claims submission procedures to follow the managed care organization's provider manual. The bill also requires certain hospitals that do not have a contract with OMPP's managed care contractor to be reimbursed at the rate paid Medicaid providers who are not contracted in OMPP's managed care services program.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) This bill extends the expiration dates for certain provisions in current statute which affect the relationship between a Medicaid managed care organization (MCO) providing services in Lake County and the providers providing medical services to Medicaid recipients assigned to the MCO. The bill does specify that reimbursement rates for these hospitals are to be the rates paid to Medicaid providers who do not have a contract with an MCO. This provision is not expected to significantly impact expenditures in the Medicaid program.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Procedure.

Local Agencies Affected:

Information Sources: